GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:854
ANSWERED ON:31.07.2006
NATIONAL COMMODITY DERIVATIVE EXCHANGE
Ponnuswamy Shri Mohan

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has revived National Commodity and Derivative Exchange (NCDEX) Limited as an intermediary between the producers and consumer of Agro Products;

(b) if so, the reasons therefor; and

(c) the benefit likely to accrue therefrom?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR.AKHILESH PRASAD SINGH)

(a) to (c): The Government granted recognition to the National Commodity and Derivatives Exchange (NCDEX), Mumbai on 20th November,2003, as a National Multi Commodity Exchange, to conduct online commodity futures trading. The Exchange started its operations on 15th December 2003. The recognition has been granted on a permanent basis. Since then, the Exchange has been providing a state of the art, nationwide screen- based online platform for commodity futures trading. The facilities for trading provided by the Exchange can be availed of by the producers and consumers of agro-products also. The main benefits of futures trading are price discovery and its use as a tool for price risk management for various categories of persons such as farmers, manufactures, exporters, consumers etc.